

LOCAL VESSELS ADVISORY COMMITTEE
Declaration of Interests by Members
of the Local Vessels Advisory Committee

Purpose

This paper updates the guidelines for declaration of interests adopted by the Local Vessels Advisory Committee (LVAC). The PLVAC (Provisional Local Vessels Advisory Committee) Paper No. 5/97 on the same subject is hereby superseded.

Background

2. Arrangements for declaration of interests by members of LVAC were adopted from the PLVAC's reporting system which was introduced in 1997. All members are required to disclose their general pecuniary interests on appointment to this committee, in addition to the report of conflicts of interests as and when they arise with a view to maintaining public confidence in the integrity of members (including the chairman), as well as in the impartiality of their advice tendered to this committee. By adopting such a reporting system, members will be protected from criticism or embarrassment arising from the existence of any undeclared general financial interest which may have potential conflict with the work of the Committee (**Annex I**).

3. As an on-going exercise, the guidelines on the declaration of interests have been reviewed recently and the updated guidelines are set out in the ensuing paragraphs for members' information and compliance.

Guidelines on Declaration of Interests

(A) Register of Members' Interests

4. The Chairman and members shall register in writing their personal interests, direct

or indirect, pecuniary or otherwise, when they first join the Committee, and annually thereafter, to the Secretary. The registration shall be made on a standard form (**Annex II**).

5. The types of interests required for registration shall include :

- (i) proprietorships, partnerships or directorships of companies;
- (ii) remunerated employments, offices, trades, professions or vocations; and
- (iii) shareholdings in a publicly listed or private company (e.g. 1% or more of the company's issued share capital); and/or
- (iv) other declarable interests, taking into consideration the nature of work of the Committee.

6. A register of members' interests shall be kept by the Secretary which should be made available for inspection on request by any member of the public.

(B) Declaration of Interests at Meetings

7. The following are guidelines governing declaration of interests at meetings :

- (i) If a member (including the Chairman) has any direct personal or pecuniary interest in any matter under consideration by the Committee, he must as soon as practicable after he has become aware of it, disclose to the Chairman (or the Committee) prior to the discussion of the item.
- (ii) The Chairman (or Committee) shall decide whether a member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.
- (iii) If the Chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken by a member.
- (iv) When a known direct pecuniary interest exists, the Secretary may withhold circulation of relevant papers to the member concerned. Where a member

is in receipt of a paper for discussion which he knows presents a direct conflict of interest, he should immediately inform the Secretary and return the paper.

- (v) All cases of declaration of interests shall be recorded in the minutes of the meeting.

Contracts

8. As a matter of principle, members should, where applicable, avoid entering into any contract with the Committee. Where this is unavoidable, it is important for the Committee to ensure that the bidding/selection process is fair and transparent, and also seen to be so. In this regard, the measures recommended by the ICAC to manage the possible conflict of interest arising from members bidding for contracts of the Committee as set out in **Annex III** will be adopted.

Enquiries

9. Enquiries on this paper should be directed to the Secretary (Tel. 2852 4590/Fax. 2541 7194).

Marine Department

November 2007

Functions of the Local Vessels Advisory Committee

The functions of the Local Vessels Advisory Committee are specified in Section 5 of the Merchant Shipping (Local Vessels) Ordinance (Cap. 548) as follows :-

- (1) Without prejudice to any other provisions of the Ordinance, the Director may seek the advice of the Committee on any matter which is connected with or incidental to –
 - (a) the performance of his functions, or the exercise of his powers, under this Ordinance; or
 - (b) the general regulation or control of local vessels in Hong Kong.
- (2) The Committee shall advise the Director on any matter in respect of which its advice is sought under subsection (1).

To: The Secretary,
Local Vessels Advisory Committee

Register of Interests

I, _____ request that interests as listed below should be included in the Register of Members' Interests.

- A. Proprietorships, partnerships or directorships of companies, public or private

- B. Remunerated employments, offices, trades, professions or vocations

- C. Shareholdings in companies, public or private (1% or more of the company's issued share capital)

- D. Other declarable interests, taking into consideration the nature of work of LVAC

Signed : _____

Date : _____

Note: The information provided in this form may be disclosed to the public in connection with your appointment as a member/the chairman of the Local Vessels Advisory Committee.

**Measures to Manage Possible Conflict of Interest
Arising from Members Bidding for Contracts of LVAC**

1. When the need for a contract is discussed, members should be asked at the outset to declare whether they or any company associated with them are interested in bidding for the contract.
2. Members who have declared an interest to bid should not take part or be present at any subsequent discussions or meetings concerning the proposed contract, and should be prohibited from access to any information in relation to the contract (other than in the capacity of a bidder).
3. Members who have not declared an interest to bid (and the companies concerned) should not be allowed to bid subsequently.
4. When a member (or a company associated with him) has expressed an interest to bid, the Committee should ascertain whether any information relating to the contract has already come to the possession of the member in the course of his duties as a member. If so, such information should be made available to other bidders as well to ensure a level playing field.
5. If a member (or a company associated with him) has put in a bid, care should be taken to ensure that he subsequently has no access to the submitted tender documents which may contain commercially sensitive information.
6. Bidder identity should be anonymised before the evaluation of bids if a member (or a company associated with him) is one of the bidders.
7. If a member (or a company associated with him) is successful in bidding for the contract, he should withdraw from all discussions relating to the contract, except when attending in the capacity of a supplier or a service-provider.